

**BRANDES INVESTMENT PARTNERS, L.P.**  
**GLOBAL EQUITY: RUSSELL 3000 BENCHMARK**

FOR THE MONTH OF: **SEPTEMBER** **2008**

**MANAGER PERFORMANCE CALCULATIONS**

\* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Brandes	-15.16%	-16.09%	-35.11%	-3.29%	6.65%
Russell 3000	-9.40%	-8.73%	-21.52%	0.26%	5.70%

**PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS**

In September portfolio return was negative and behind the world markets. The portfolio often looks very different from the market and consequently performance can be very different too. This performance gap can go both ways in the short term, but Brandes believes that its philosophy has the potential for long-term outperformance as good periods can outweigh bad periods over the full market cycle. On an industry basis, holdings in the automobiles industry had the largest positive impact. Holdings in the two largest industries in the portfolio, pharmaceuticals and diversified telecommunication services, outperformed the world markets. Stocks in the thrifts & mortgage finance and commercial banks industries had the largest negative impact on performance. Stocks in Japan were among the largest contributors to relative returns. Holdings in the US were among the largest negative contributors to returns. The credit crisis and market volatility have provided long-term opportunities particularly in the financial sector that we have used to upgrade the future potential of the portfolio, although in the short-term this may have a volatile impact on performance. Best performers for the month included Mitsubishi UFJ Financial, Ford, Citigroup and Bank of America. Fannie Mae, Freddie Mac, Wachovia, Washington Mutual and AIG were among the worst performers for the month. In September, Brandes added two new names (Schering-Plough Corp and Texas Instruments) and sold three completely (Marsh & McLennan, Freddie Mac and Fannie Mae). The normal stock-specific trades, as well as changes in the prices of existing shares shifted the portfolio's country and industry exposures slightly. As of 9/30/08, the largest weightings were in the US (underweight), diversified telecom services (large overweight), Japan (overweight), pharmaceuticals (large overweight) and commercial banks (overweight). Overall, Brandes believes the portfolio remains well positioned to deliver favorable long-term results. While Brandes monitors short-term events in international equity markets, its investment philosophy focuses on company-by-company analysis with a long-term perspective. This summary includes shorter-term and top-down information, but Brandes continues to focus on applying its bottom-up, value philosophy over the long term with the goal of delivering better-than-benchmark results.

**ORGANIZATIONAL/PERSONNEL CHANGES**

**ACCOUNT TURNOVER**

Gained:	Number of Accounts:	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	Total Market Value (\$m):	\$	-
	Reason(s):			

**MANAGER STYLE SUMMARY**

*Brandes is a classic "bottom-up" manager, focusing primarily on individual security selection (while country allocation is a secondary consideration), with a "value" bias, purchasing stocks primarily on the perceived undervaluation of their existing assets or current earnings. Consequently, the securities in the portfolio will tend to have a higher dividend yield and lower P/E and P/Book ratios compared to the market. Brandes' classic Graham and Dodd value investment style combined with the relatively low number of stocks in the portfolio results in large gains or losses on the portfolio. What has been encouraging is that Brandes has turned in good returns when the markets generally have rewarded growth, rather than value, styles.*

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**PORTFOLIO GUIDELINE COMPLIANCE**

SEPTEMBER

2008

Portfolio Guideline:	Index	Brandes	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		84		40	70	check
B5. Normal Country Exposures:						
United States & Canada		44%		30%	100%	ok
Americas ex U.S.		4%		0%	40%	ok
United Kingdom		10%		0%	25%	ok
Europe ex U.K.		22%		0%	50%	ok
Japan		18%		0%	45%	ok
Pacific ex Japan		1%		0%	40%	ok
Non-Index Countries		0%		0%	20%	ok
Cash & Hedges		1%				
Total		100%				
B6. Normal International Portfolio Characteristics (FTSE All World ex U.S. "Large")						
Capitalization	\$83,487	\$53,222	64%	30%	125%	ok
Price/Book Value	2.2	2.1	96%	50%	100%	ok
Price/Earnings	13.8	13.7	99%	50%	100%	ok
Price/Cash Flow	9.2	8.5	92%	50%	100%	ok
Dividend Yield	2.4	2.7	111%	90%	150%	ok
B7. Normal U.S. Portfolio Characteristics (Russell 3000)						
Capitalization	\$44,137	\$49,633	112%	30%	125%	ok
Price/Book Value	1.6	2.1	131%	50%	100%	check
Price/Earnings	10.3	13.1	127%	50%	100%	check
Price/Cash Flow	6.6	7.7	116%	50%	100%	check
Dividend Yield	3.9	3.7	95%	90%	150%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed \$0.05/share or 50% of principal (non-U.S.)						ok
F2. Annual turnover		26%			100%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES**

B4. Number of Issues:	Several equity securities of the same company (e.g., ADR/local), breakup of Telebras, and number of available companies at attractive valuations.
B7. Price/Book Value:	Brandes found value in a number of companies with relatively low book values like communication/technology stocks.
B7. Price/Earnings:	Brandes found value in a number of companies with low last-reported earnings.
B7. Price/Cash Flow:	Brandes found value in a number of companies with low last-reported cash flow.